

**VERNON PARISH POLICE JURY
Leesville, Louisiana**

**Basic Financial Statements
(Primary Government)
and Independent Auditor's Reports
As of and for the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)**

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUL 24 2013**

VERNON PARISH POLICE JURY
Leesville, Louisiana

Basic Financial Statements
(Primary Government)
and Independent Auditor's Reports
As of and for the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended
December 31, 2011)

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Leesville, Louisiana
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Independent Auditor's Report

VERNON PARISH POLICE JURY
Leesville, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Police Jury, Leesville, Louisiana, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements of the parish's primary government, as listed in the table of contents

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

VERNON PARISH POLICE JURY
Leesville, Louisiana
Independent Auditor's Report
(Continued)

BASIS FOR ADVERSE OPINION ON AGGREGATE DISCRETELY PRESENTED COMPONENT UNITS AND QUALIFIED OPINION ON AGGREGATE REMAINING FUND INFORMATION

The financial statements do not include financial data of the police jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the parish's primary government unless the parish also issues financial statements for the financial reporting entity that include financial data for its component units. The parish has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of aggregate discretely presented component units, which effects are not reasonably determinable, would have been presented. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by an amount that is also not reasonably determinable.

ADVERSE OPINION ON AGGREGATE DISCRETELY PRESENTED COMPONENT UNITS

In my opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the aggregate discretely presented component units of the police jury as of December 31, 2012, or the changes in financial position thereof for the year then ended.

QUALIFIED OPINION ON AGGREGATE REMAINING FUND BALANCE

In my opinion, except for the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the parish as of December 31, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

UNMODIFIED OPINIONS

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the parish as of December 31, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

REPORT ON SUMMARIZED COMPARATIVE INFORMATION

I have previously audited the December 31, 2011, financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated June 28, 2012. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

VERNON PARISH POLICE JURY
Leesville, Louisiana
Independent Auditor's Report
(Continued)

OTHER MATTERS

Accounting principles generally accepted in the United States of America require that the supplementary information (Part I & II), as listed in the foregoing table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

OTHER INFORMATION

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the police jury's basic financial statements. The combining and individual nonmajor fund financial statements and the accompanying Schedule of Expenditures of Federal Awards as required by U S Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor financial statements and the Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

VERNON PARISH POLICE JURY
Leesville, Louisiana
Independent Auditor's Report
(Continued)

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, I have also issued my report dated June 26, 2013, on my consideration of the internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 26, 2013

REQUIRED SUPPLEMENTAL INFORMATION
PART I

**VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
December 31, 2012**

The Management's Discussion and Analysis (MD&A) of the Vernon Parish Police Jury's financial performance provides an overview of the police jury's financial activities for the year ended December 31, 2012, with comparative totals for the year ended December 31, 2011. The MD&A is designed to focus on the current year's activities, resulting changes and currently known facts.

FINANCIAL HIGHLIGHTS

The assets (\$75,171 million) of the Vernon Parish Police Jury exceeded its liabilities (\$19,677 million) at the close of the most recent fiscal year by \$55,493 million (net position). Of this amount, \$17,226 million (unrestricted net position) may be used to meet the government's on-going obligations to citizens and creditors. The government's total net position increased by \$744 million from the previous year.

At December 31, 2012, the Vernon Parish Police Jury's governmental funds reported combined ending fund balances of \$29,749 million, an increase of \$2,032 million in comparison with the prior year's ending fund balance of \$27,717 million. The total fund balance in the general fund is \$10,714 million, an increase of \$284 million from the prior year. The unrestricted fund balance in the general fund of \$8,429 million is available for spending at the government's discretion. Restricted fund balance in the general fund at year end is \$2,285 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Vernon Parish Police Jury's basic financial statements. The Vernon Parish Police Jury's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Vernon Parish Police Jury's finances, in a manner similar to a private-sector business. These statements for the first time, combine governmental fund's current financial resources with capital assets and long-term debt obligations.

The statement of net position presents information on all of the Vernon Parish Police Jury's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Vernon Parish Police Jury is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The focus on the statement of activities is on both the gross and net cost of various activities which are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services.

The government-wide financial statements distinguish the different functions of the Vernon Parish Police Jury that is principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Vernon Parish Police Jury include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The Vernon Parish Police Jury does not at this time have any business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentations more familiar. The focus now is on the major fund types rather than the non-major fund types. The Vernon Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
(Continued)

Governmental Funds

These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Vernon Parish Police Jury maintains approximately 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sanitary Landfill Fund, the Parishwide Maintenance Fund, Health Unit Maintenance Fund, Courthouse and Jail Maintenance Fund, Parishwide Overlay Fund, Library Maintenance Fund, Criminal Court Fund, and the Louisiana Workforce Investment Act Fund. At December 31, 2012, these nine funds are considered to be major funds of the police jury. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Vernon Parish Police Jury adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparison statements have been provided at the fund type level for the major funds to demonstrate legal compliance with these budgets.

The basic governmental fund financial statements can be found in the Basic Financial Statements Section of this financial report.

Fiduciary Funds

These funds are used to account for resources held for the benefit of the Parishwide Maintenance Fund, the Sanitary Landfill Fund, the Fire Protection District Fund, and the Tourist and Recreation Fund. The Police Jury's fiduciary funds consist of the Sales Tax Fund and the Hotel/Motel Tax Fund. These funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Vernon Parish Police Jury's own programs until transferred to the various funds in accordance with the applicable sales tax propositions. The basic fiduciary fund financial statement can be found in the Basic Financial Statements section of this report.

Infrastructure Assets

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other intangible assets that are used in operations and that have initial useful lives greater than one year and exceed the government's capitalization threshold of \$5,000. The parish has capitalized all purchased general capital assets.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Notes Section of this report.

VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
(Continued)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Vernon Parish Police Jury's progress in funding its obligations. Required supplementary information can be found in the Required Supplementary section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on the major fund's budgets.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Vernon Parish Police Jury, assets exceeded liabilities by \$55,493 million at the close of the most recent fiscal year.

A large portion of the Vernon Parish Police Jury's net position (approximately 63 per cent) reflects its investment in capital assets (land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Vernon Parish Police Jury uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Vernon's investment in its capital assets is reported net of related debt, it is not a spendable resource. The resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Vernon Parish Police Jury's Net Position

Total net position for Governmental activities are \$55,493 million. A portion of the Vernon Parish Police Jury's net position, net of related debt (\$35,183 million) represents an investment in capital assets and other resources (\$3,083 million) that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$17,226 million) may be used to meet the government's ongoing obligations to citizens and creditors. The following table presents, in millions, the statement of net position in a condensed format and provides a comparison with the previous year.

	2012	2011
ASSETS		
Current and other assets	\$30,507	\$28,369
Capital assets, net	44,663	44,529
Total Assets	<u>\$75,170</u>	<u>\$72,898</u>
LIABILITIES		
Current and other liabilities	\$1,845	\$1,838
Long-term liabilities	17,832	16,311
Total Liabilities	<u>19,677</u>	<u>18,149</u>
NET POSITION		
Invested in capital assets, net of related debt	35,183	34,556
Restricted	3,084	2,862
Unrestricted	17,226	17,331
Total Net Position	<u>\$55,493</u>	<u>\$54,749</u>

VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
(Continued)

The results of current year's operations for the police jury are reported on the Statement of Activities. The following table presents, for the year ended December 31, 2012, condensed financial information (in millions) from that statement, with a comparison of activity for the year ended December 31, 2010.

	December 31	
	2012	2011
Revenues		
Program revenues		
Charges for services	\$ 717	\$1 244
Operating grants and contributions	1 701	1 560
Capital grants and contributions	033	
General revenues		
Ad valorem taxes	5 528	4 666
Sales and use taxes	9 567	8 238
Federal grants	1 076	1 170
State grants	2 567	1 362
Interest and investment earnings	103	087
Other general revenues	1 802	2 004
Total revenues	<u>23 094</u>	<u>20 331</u>
Functions/Program Expenses		
Current - general government		
General government		
Legislative	521	521
Judicial	1 441	1 363
Elections	062	103
Finance and administration	2 705	3 053
Other	2 739	2 116
Public safety	1 152	1 436
Public works	9 536	10 990
Health and welfare	1 050	1 325
Culture and recreation	2 046	1 611
Economic development and assistance	707	952
Debt service	391	406
Total expenses	<u>22 350</u>	<u>23 876</u>
Increase in net position	<u>\$0 744</u>	<u>\$ (3 545)</u>

VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
(Continued)

Governmental Activities

Sales taxes received this year were \$9 567 million, an increase of \$1 329 million over the previous year. Ad valorem taxes collected were \$5 528 million, up by \$ 862 million. Unrestricted State grants and entitlements were \$2 567 million, an increase of \$1 205 million. Unrestricted Federal grants were \$1 076 million, a decrease of \$ 094 million.

Grant money passing through the Louisiana Department of Labor and the Louisiana Department of Education to fund the operations of the Louisiana Workforce Investment Act for its Welfare to Work Program, Adult Program, Youth Activities Program, Dislocated Workers Program, and Administration amounted to \$ 664 million for 2012. This was a decrease of \$ 114 million from the previous year.

Financial Analysis of the Government's Funds

As noted earlier, the Vernon Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Vernon Parish Police Jury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Vernon Parish Police Jury's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Vernon Parish Police Jury's governmental funds reported combined ending fund balances of approximately \$29 749 million, an increase of \$2 032 million from the previous year. Total fund balance for the general fund is \$10 714 million. The unreserved fund balance in the general fund, \$8 429 million, which constitutes an amount which is available for spending at the government's discretion. The remainder of fund balance is in special purpose funds to indicate that it is not necessarily available for new spending because it has already been committed to pay debt service, \$1 187 million, and employee health benefits \$2 285 million and for a variety of other special purposes for which the funds were created, Special Revenue Funds, \$17 713 million.

The general fund is the chief operating fund of the Vernon Parish Police Jury. At the end of the current year, total fund balance of the General Fund was \$10 714 million. The fund balance of the Vernon Parish Police Jury's General Fund increased by \$ 284 million from the previous year.

Budgetary Highlights

The major funds of the Vernon Parish police Jury includes the governmental funds presented on Statements C and E of the police jury's basic financial statements. Budgetary comparisons for these major funds is presented, as required supplemental information, on Schedules 1 through 8 of the police jury's basic financial statements.

VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
(Continued)

Capital Asset and Debt Administration

Capital Assets

The Vernon Parish Police Jury's investment in capital assets for its governmental activities at December 31, 2012, amounts to \$44,663 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure added this year. Retroactive infrastructure has been included in these financial statements. Additional information on Vernon Parish Police Jury's capital assets can be found in Note section of this report. The following table shows capital assets (in millions), net of accumulated depreciation, for this year as compared to the previous year.

	2012	2011
Land	\$1,675	\$1,675
Buildings and improvements	6,508	6,639
Machinery and equipment	8,408	8,184
Infrastructure	27,562	27,537
Library book collection	510	494
Totals	\$44,663	\$44,529

Debt Administration

At December 31, 2012, the Vernon Parish Police Jury had total debt outstanding of \$18,530 million. Of this amount, \$8,680 million is comprised of general obligation bonds, debt which is legally restricted from exceeding 10 per cent of the assessed value of taxable property in the parish, bank loans, \$0.14 million, capital leases, \$0.786 million, and other postemployment benefits, \$9,050 million. Additional information on the Vernon Parish Police Jury's long-term debt can be found in the Note section of this report.

Economic Factors and Next Years Budgets and Rates

Vernon Parish is the third largest parish in Louisiana with a total land area of 1,328.5 square miles or 850,245 acres. The parish is heavily dependent upon the continued success and operation of the Fort Polk Joint Readiness Training facility. This facility currently employs approximately 4,700 employees. Other major employers of the parish are the Vernon Parish School Board-1,454 employees, Bayne Jones Hospital-401, Walmart, Byrd Hospital, and the Police Jury-200+, and the Vernon Parish Sheriff's Office-145.

Requests for Information

This financial report is designed to provide a general overview of the Vernon Parish Police Jury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vernon Parish Police Jury, ATTN: Secretary/Treasurer, P.O. 1548, Leesville, Louisiana, 71466.

VERNON PARISH POLICE JURY
LEESVILLE, LOUISIANA

BASIC FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2012, AND FOR THE YEAR THEN ENDED
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2011)

Statement A

VERNON PARISH POLICE JURY
Leesville, Louisiana

Statement of Net Position
December 31, 2012
(With Comparative Totals For December 31, 2011)

	2012	2011
ASSETS		
Cash and cash equivalents	\$23,444,012	\$21,991,856
Investments, at fair market value	1,243,260	947,951
Receivables	5,819,491	5,410,861
Interfund receivables		
Other		18,393
Capital assets (net of accumulated depreciation)		
Land	1,675,227	1,675,227
Buildings and improvements	6,507,783	6,638,716
Furniture and equipment	8,408,447	8,183,805
Infrastructure	27,562,146	27,537,086
Library book collection	509,728	494,231
TOTAL ASSETS	\$75,170,095	\$72,898,127
LIABILITIES		
Accounts, salaries, and other payables	\$758,014	\$651,828
Interest payable	388,877	406,084
Long-term liabilities		
Due within one year	698,388	780,274
Due in more than one year	17,831,812	16,311,136
Total Liabilities	19,677,091	18,149,322
NET POSITION		
Invested in capital assets, net of related debt	35,183,499	34,556,089
Restricted for		
Debt service	797,878	748,513
Employee benefits	2,285,219	2,113,918
Unrestricted	17,226,407	17,330,285
TOTAL NET POSITION	\$55,493,004	\$54,748,805

The accompanying notes are an integral part of these financial statements

VERNON PARISH POLICE JURY
Leesville, Louisiana

Statement of Activities
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

		PROGRAM REVENUES			2012	2011
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
FUNCTIONS/PROGRAMS						

Governmental activities						
General government						
Legislative	\$521,857				(\$521,857)	(\$520,636)
Judicial	1,441,488	\$194,585	\$86,088		(1,160,815)	(539,926)
Elections	61,855				(61,855)	(102,518)
Finance and administrative	2,705,389	283,787			(2,421,602)	(2,780,211)
Other	2,739,397				(2,736,397)	(2,116,437)
Public safety	1,151,801		190,488		(961,313)	(1,233,952)
Public works	9,535,512	23,587	637,160		(8,874,765)	(10,420,059)
Health and welfare	1,049,720		328,031		(721,689)	(654,206)
Culture and recreation	2,045,892	215,336	406,784		(1,423,772)	(1,383,945)
Economic development and assistance	707,018		52,688	\$33,263	(621,067)	(914,962)
Intergovernmental						
Capital outlay						
Debt service	391,196				(391,196)	(406,084)
	-----	-----	-----	-----	-----	-----
Total Governmental Activities	22,351,126	717,296	1,701,239	33,263	(19,899,328)	(21,072,936)

General revenues						
Taxes						
Property taxes, levied for general purposes					4,984,332	4,317,458
Property taxes, levied for debt services					543,788	349,025
Sales and use taxes, levied for general purposes					9,567,176	8,238,196
Grants and contributions not restricted to specific purposes						
Federal grant programs					1,075,978	1,169,592
State grant programs					2,567,177	1,362,066
Interest and investment earnings					103,413	87,326
Miscellaneous					1,801,664	2,003,910
					-----	-----
Total general revenues and special items					20,643,527	17,527,574
					-----	-----
Changes in net position					744,199	(3,545,362)

Net position - beginning					54,748,805	58,294,167

Net position - ending					\$55,493,004	\$54,748,805

The accompanying notes are an integral part of these financial statements

VERNON PARISH POLICE JURY
Leesville, Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2012
(With Comparative Totals at December 31, 2011)

	GENERAL FUND	PARISHWIDE MAINTENANCE FUND	SANITARY LANDFILL FUND	HEALTH UNIT MAINTENANCE FUND	COURTHOUSE AND JAIL MAINTENANCE FUND	PARISHWIDE OVERLAY FUND	CRIMINAL COURT FUND
ASSETS							
Cash and cash equivalents	\$10,217,031	\$527,490	\$1,644,351	\$1,439,380	\$678,322	\$1,204,349	\$6,240
Investments, at fair value			695,247		548,013		
Receivables	631,143 12	705,961		413,023	1,337,983		
Interfund receivables							
Other							
TOTAL ASSETS	\$10,848 174	\$1,233,451	\$2,339 598	\$1,852,403	\$2,564,319	\$1,204,349	\$6,240
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts, salaries, and other payables	134,097	\$90,395	\$203,070	\$25,952	\$44,276	\$15	\$2,622
Interfund payables							
Deferred revenues							
Total Liabilities	134,097	90,395	203,070	25,952	44,276	15	2,622
Fund balances							
Restricted for							
Legislative							
Judicial	256						3,618
Finance and administrative							
Other general government					2,520,043		
Public safety		1,143,056	2,136,528			1,204,334	
Public works							
Health and welfare				1,826,451			
Culture and recreation							
Debt service							
Employee benefits	2,285,219						
Unassigned	8,428,602						
Total Fund Balances	10,714,077	1,143,056	2,136,528	1,826,451	2,520,043	1,204,334	3,618
TOTAL LIABILITIES AND FUND BALANCES	\$10,848,174	\$1,233,451	\$2,339,598	\$1,852,403	\$2,564,319	\$1,204,349	\$6,240

The accompanying notes are an integral part of these financial statements

VERNON PARISH POLICE JURY
Leesville, LouisianaGOVERNMENTAL FUNDS
Balance Sheet
December 31, 2012
(With Comparative Totals at December 31, 2011)

	LIBRARY MAINTENANCE FUND	WORKFORCE INVESTMENT ACT FUND	OTHER GOVERNMENTAL FUNDS	2012	2011
ASSETS					
Cash and cash equivalents	\$1,236,284	\$3,855	\$6,376,431	\$23,333,734	\$21,991,856
Investments, at fair value				1,243,260	947,951
Receivables	1,009,611	112,578	1,609,192	5,819,491	5,410,861
Interfund receivables			6,743	6,743	35,002
Other					18,393
TOTAL ASSETS	\$2,245,895	\$116,433	\$8,102,644	\$30,513,507	\$28,404,063
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts, salaries, and other payables	\$36,282	\$116,433	\$104,872	\$758,014	\$651,828
Interfund payables			6,743	6,743	35,002
Total Liabilities	36,282	116,433	111,615	764,757	686,830
Fund balances					
Restricted for					
Legislative			423,104	426,722	361,085
Judicial				3,874	35,434
Finance and administrative			12,453	12,453	88,598
Other general government			3,314,686	5,834,729	5,574,256
Public safety			1,926,031	1,926,031	1,487,987
Public works			183,618	4,667,537	4,141,707
Health and welfare			713,253	2,539,704	2,077,187
Culture and recreation	2,209,613		231,129	2,440,742	2,366,455
Debt service			1,186,755	1,186,755	1,154,597
Employee benefits				2,285,219	2,113,918
Unassigned				8,428,602	8,316,011
Total Fund Balances	2,209,613	NONE	7,991,029	29,748,749	27,717,234
TOTAL LIABILITIES AND FUND BALANCES	\$2,245,895	\$116,433	\$8,102,644	\$30,513,507	\$28,404,063

The accompanying notes are an integral part of these financial statements

VERNON PARISH POLICE JURY
Leesville, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2012
(With Comparative Totals at December 31, 2011)

		2012	2011
		-----	-----
Total Fund Balances - Governmental Funds		\$29,748,749	\$27,717,234
Cost of capital assets	\$83,086,458		
Less - accumulated depreciation	(38,423,127)	44,663,331	44,529,065

Long-term liabilities			
Bonds and certificates of indebtedness payable	(8,680,000)		
Bank loans	(13,977)		
Capital lease agreements	(785,855)		
Other postemployment benefits	(9,050,368)	(18,530,200)	(17,091,410)

Interest payable - current		(388,877)	(406,084)
		-----	-----
Net Position		\$55,493,004	\$54,748,805
		=====	=====

The accompanying notes are an integral part of these financial statements

Statement E
VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	GENERAL FUND	PARISHWIDE ROAD MAINTENANCE FUND	SANITARY LANDFILL FUND	HEALTH UNIT MAINTENANCE FUND	COURTHOUSE AND JAIL MAINTENANCE FUND	PARISHWIDE OVERLAY FUND
REVENUES						
Taxes						
Ad valorem	\$405,644	\$545,800		\$406,913	\$1,121,402	
Sales and use	241,793	1,485,472	\$5,941,886			
Other taxes, licenses and interest	151,777					
Licenses and permits	283,787	3,000				
Intergovernmental revenues						
Federal funds	36,648	164,413				
State funds	1,654,443	50,460		32,441	82,105	
Local funds	17,075					
Fees, charges, and commissions for services	16,864					
Fines and forfeitures	37,189					
Use of money and property	50,893	2,311	19,406	3,583	4,684	\$3,220
Other revenues	1,184,811	37,408			7,255	
Total revenues	4,080,923	2,288,863	5,961,292	442,937	1,215,446	3,220
EXPENDITURES						
Current						
General government						
Legislative	521,782					
Judicial	413,333					
Elections	32,830					
Finance and administrative	632,549					
Other	1,308,229				1,241,697	
Public safety	49,923					
Public works	598,154	3,039,179	2,618,268			1,275,471
Health and welfare	33,495			310,615		
Culture and recreation						
Economic development and assistance						
Debt service		114,952				
Total expenditures	3,590,295	3,154,130	2,618,268	310,615	1,241,697	1,275,471

The accompanying notes are an integral part of these financial statements

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	GENERAL FUND	PARISHWIDE ROAD MAINTENANCE FUND	SANITARY LANDFILL FUND	HEALTH UNIT MAINTENANCE FUND	COURTHOUSE AND JAIL MAINTENANCE FUND	PARISHWIDE OVERLAY FUND
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$490,627	(\$865,268)	\$3,343,024	\$132,323	(\$26,252)	(\$1,272,251)
OTHER FINANCING SOURCES (Uses)						
Insurance recoveries		296,652				
Sale of capital assets	6,498	920				
Operating transfers in	72,349	610,004				1,474,170
Operating transfers out	(285,758)		(3,084,174)	(150,702)	(138,494)	
Increase in long-term debt						
Total other financing sources (uses)	(206,911)	907,576	(3,084,174)	(150,702)	(138,494)	1,474,170
NET CHANGE IN FUND BALANCE	383,716	42,308	258,851	(18,379)	(164,746)	201,918
FUND BALANCE AT BEGINNING OF YEAR	10,430,361	1,100,748	1,877,678	1,844,830	2,684,789	1,002,415
FUND BALANCES AT END OF YEAR	\$10,714,077	\$1,143,056	\$2,136,528	\$1,826,451	\$2,520,043	\$1,204,334

The accompanying notes are an integral part of these financial statements

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	CRIMINAL COURT FUND	LIBRARY MAINTENANCE FUND	WORKFORCE INVESTMENT ACT FUND	OTHER GOVERNMENTAL FUNDS	2012 TOTAL GOVERNMENTAL FUNDS	2011 TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes						
Ad valorem	\$357,565	\$967,668		\$1,723,128	\$5,528,119	\$4,666,483
Sales and use				1,898,026	9,567,176	8,238,196
Other taxes, licenses, and interest					151,777	148,067
Licenses and permits					286,787	275,855
Intergovernmental revenues						
Federal funds			\$641,956	766,254	1,609,272	1,982,746
State funds		96,448	2,100	1,850,387	3,768,384	2,108,590
Local funds		1,578			18,653	241,096
Fees, charges, and commissions						
for services		27,369		349,088	393,320	365,298
Fines and forfeitures					37,189	602,412
Use of money and property		3,978		15,338	103,413	87,326
Other revenues		41,605		19,131	1,290,209	1,507,889
Total revenues	357,565	1,138,646	644,056	6,621,352	22,754,300	20,223,958
EXPENDITURES						
Current						
General government						
Legislative				75	521,857	520,636
Judicial	628,950			399,206	1,441,488	1,363,616
Elections				29,025	61,855	102,518
Finance and administrative				140,906	773,455	1,540,394
Other				58,538	2,608,464	1,945,620
Public safety				1,224,597	1,274,520	1,849,665
Public works				2,131,423	9,662,495	9,721,238
Health and welfare				705,611	1,049,720	1,325,071
Culture and recreation		921,633		1,139,756	2,061,389	1,636,778
Economic development and assistance			644,056	62,962	707,018	952,165
Debt service				786,595	901,547	544,271
Total expenditures	628,950	921,633	644,056	6,678,693	21,063,809	21,501,972

The accompanying notes are an integral part of these financial statements

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

				2012	2011
	CRIMINAL COURT FUND	LIBRARY MAINTENANCE FUND	WORKFORCE INVESTMENT ACT FUND	TOTAL GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$271,385)	\$217,013	NONE	\$1,690,491	(\$1,278,014)
OTHER FINANCING SOURCES (Uses)					
Insurance recoveries				5,595	27,695
Sale of capital assets				31,360	41,707
Operating transfers in	240,002			1,314,978	3,233,423
Operating transfers out		(27,631)		(24,743)	(3,233,423)
Increase in long-term debt				(3,711,502)	7,537,457
Total other financing sources (uses)	240,002	(27,631)	NONE	341,025	7,606,859
NET CHANGE IN FUND BALANCE	(31,383)	189,382	NONE	2,031,516	6,328,845
FUND BALANCE AT BEGINNING OF YEAR	35,002	2,020,231	NONE	27,717,234	21,388,389
FUND BALANCES AT END OF YEAR	\$3,618	\$2,209,613	NONE	\$29,748,749	\$27,717,234

The accompanying notes are an integral part of these financial statements

VERNON PARISH POLICE JURY
Leesville, Louisiana

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	2012	2011
	-----	-----
Total net change in fund balances - governmental funds	\$2,031,516	\$6,328,845
Amounts reported for governmental activities in the Statement of Activities are different because		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense		
Capital outlays	\$3,503,640	
Depreciation expense	3,369,374	

	134,266	(1,000,222)
Repayment of bond principal, bank loans capital leases is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position		
Debt service on outstanding principal and interest	899,228	544,271
Issuance and servicing of long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because the initial proceeds are recognized as an other financing source thereby providing a source of current financial resources and the interest expense is recognized as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, the initial proceeds is recognized a liability and interest expense is recognized as the interest accrues, regardless of when it is due		
Proceeds of long-term debt		
Interest expense	(388,877)	

	(388,877)	(7,906,084)
In the Statement of Activities, certain expenses relating to other post employment benefits are measured by the amounts incurred during the year, but in the Governmental Funds expenditures for these items are measured by the amount of financial resources used		
	(1,931,934)	(1,512,172)
	-----	-----
Change in net position of governmental activities	\$744,199	(\$3,545,362)
	=====	=====

The accompanying notes are an integral part of these financial statements

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 FIDUCIARY FUND - SALES AND HOTEL/MOTEL
 TAX AGENCY FUND

Statement of Fiduciary Net Assets
 June 30, 2012
 (With Comparative Totals, December 31, 2011)

	2012	2011
	-----	-----
ASSETS		

Cash and cash equivalents	\$1,161,992	\$250,833
	-----	-----
TOTAL ASSETS	\$1,161,992	\$250,833
	=====	=====
LIABILITIES		

Accounts payable		\$20
Deposits due others	1,161,992	250,813
	-----	-----
TOTAL LIABILITIES	\$1,161,992	\$250,833
	=====	=====

The accompanying notes are an integral part of these financial statements

VERNON PARISH POLICE JURY
(Primary Government)
Leesville, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2012

INTRODUCTION

The Vernon Parish Police Jury is the governing authority for Vernon Parish and is a political subdivision of the State of Louisiana. The police jury is governed by 12 jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2016.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Vernon Parish Police Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the police jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. In accordance with GASB Statement 14, the reporting entity of Vernon Parish consists of the primary government (police jury), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement 14 established criteria for determining which component units should be considered part of the Vernon Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Additional criteria includes appointing a majority of the organization's governing board, organizations that are fiscally dependent on the police jury, and organizations, if omitted, would result in misleading if data of the organization is not included because of the nature or significance of the relationship.

VERNON PARISH POLICE JURY
Primary Government
Leesville, Louisiana
Notes to the Basic Financial Statements
(Continued)

Based on the aforementioned criteria, the police jury as determined that the Vernon Parish Assessor, the Vernon Parish Clerk of Court, the Vernon Parish Sheriff, the West Louisiana Forestry Festival, Fire District No. 1, the Vernon Parish Arena District, the West Vernon Parish Waterworks District, the Ward 4 Water and Sewer Commission, the South Vernon Waterworks District, the Vernon Parish Tourism and Recreation Commission, the Vernon Parish Library, the Vernon Game and Fish Commission, the Pitkin Gas Utility District No. 1, the Vernon Parish Housing Authority, the Museum of West Louisiana, the Vernon Career Solutions Center (LWIA) are component units of the Vernon Parish Reporting entity.

Considered in the determination of potential component units was the Vernon Parish School Board, the District Attorney for the Thirtieth Judicial District, the Thirtieth Judicial District Court, and various municipalities in the parish. It was determined that these governmental entities are not component units of the Vernon Parish reporting entity because they have separately elected governing bodies, and are fiscally independent of the Vernon Parish Police Jury.

Governmental Accounting Standards Board (GASB) Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements.

The police jury has chosen to issue financial statements of the primary government (police jury) only, therefore, none of the previously listed component units, except as discussed in the following paragraph, that comprise the reporting entity are included in the accompanying financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

The primary government (police jury) financial statements include all funds and organizations for which the police jury maintains the accounting records as these organizations are considered a part of the primary government and include the West Louisiana Forestry Festival, the Fire District No. 1, the Vernon Parish Arena District, the Vernon Parish Tourism and Recreation Commission, the Vernon Parish Library, and the Vernon Career Solutions Center (LWIA).

C. FUNDS

The police jury uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain police jury functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the police jury are classified as follows:

Governmental Funds

Governmental funds account for all or most of the police jury's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the police jury. The following are the police jury's primary governmental funds:

VERNON PARISH POLICE JURY
Primary Government
Leesville, Louisiana
Notes to the Basic Financial Statements
(Continued)

General Fund -- the general operating fund of the police jury and accounts for all financial resources, except those required to be accounted for in other funds

Special revenue funds -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes

Debt service funds -- account for transactions relating to resources retained and used for the payment of principal and interest on general long-term debt recorded in the general long-term debt account group

Capital projects funds -- account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements - include the Statement of Net Position (Statement A) and the Statement of Activities (Statement B). These financial statements report the financial position and results of operations for the police jury as a whole. Fiduciary funds are not included at this level, as they are only reported in the Statement of Fiduciary Net Position at the fund financial statement level.

The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the police jury's taxpayers or citizenry, as a whole, program revenues reduce the cost of the function to be financed from the police jury's general revenues.

Allocation of Indirect Expenses - The police jury reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that school buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

VERNON PARISH POLICE JURY
Primary Government
Leesville, Louisiana
Notes to the Basic Financial Statements
(Continued)

Fund Financial Statements - governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fund financial statements report detailed information about the police jury. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The police jury considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which includes state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure driven Federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

Food service income is recorded when collected. All food services income applicable to an accounting period is collected during the fiscal year.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. Taxes are normally collected in December, January, and February of the fiscal year.

Sales and use taxes are recorded in the month collected by the Vernon Parish School Board (collection agent) or by the Louisiana Department of Public Safety and Corrections, Public Safety Services.

Interest earnings on time deposits are recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when they are available to the police jury.

Based on the above criteria, federal and state entitlements, ad valorem taxes, and sales and use tax are treated as susceptible to accrual by the police jury.

VERNON PARISH POLICE JURY
Primary Government
Leesville, Louisiana
Notes to the Basic Financial Statements
(Continued)

Expenditures

Salaries are recorded as expenditures when earned

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased

Commitments under construction contracts are recognized as expenditures when earned by the contractor

Substantially all other expenditures are recognized when the related fund liability has been incurred

Transfers between funds that are not expected to be repaid, sale of assets, and proceeds from the sale of bonds are accounted for as other financing sources (uses). These transactions are recognized at the time the underlying events occur

Deferred Revenues

The police jury reports deferred revenues on its fund financial statements balance sheet. Deferred revenues arise when resources are received by the police jury before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the police jury has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

The police jury adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the secretary/treasurer and the finance committee of the police jury during October/November of each year. During November/December, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. At its meeting in December, the police jury holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the results of the public hearing and the desires of the police jury as a whole. The budgets are then adopted, and notice is published in the official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes, however, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

The secretary/treasurer is authorized to transfer amounts between line items within a fund, however, when requested by the police jury, budgetary comparisons are prepared and presented to the police jury during a regular meeting. The police jury reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in the police jury minutes published in the official journal. Budget amounts included in the accompanying financial statements include the final amended budget amounts.

VERNON PARISH POLICE JURY
Primary Government
Leesville, Louisiana
Notes to the Basic Financial Statements
(Continued)

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of usually 90 days or less. Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the police jury may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days, however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. INVESTMENTS

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the police jury, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct United States Treasury obligations, bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or United States government instrumentalities, provided that such obligations are backed by the full faith and credit of the United States government, and savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the police jury may invest in mutual or trust fund institutions (limited to 25 per cent of the funds considered available for investment under this section) provided that they are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies. Investments are stated at fair value.

I. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods and services provided or rendered. These receivables and payables are classified as interfund receivables and payables on the fund financial statements but are eliminated for reporting purposes on the government-wide financial statements.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$5,000 or more for capitalizing capital assets for reporting purposes. Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the police jury, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using a composite group rate which is applied to similar assets for the purpose of calculating depreciation expense. Interest costs on debt used to finance the construction of capital assets are not capitalized.

VERNON PARISH POLICE JURY
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(Continued)

K. COMPENSATED ABSENCES

Employees of the Vernon Parish Police Jury earn from 5 to 15 days of vacation leave each year, depending on their length of service. Vacation leave earned must be taken in the following year. Employees earn one day of sick leave for each month of service. A maximum accumulation of 40 days of sick leave is allowed. Accumulated sick leave is forfeited upon termination of employment.

Employees of the Vernon Parish Library earn from 12 to 22.5 days of vacation leave each year, depending on their length of service. Unused vacation leave cannot be carried forward, except under unusual circumstances. Employees are not paid for unused vacation leave upon termination of employment. All full-time employees earn 10 days of sick leave each year. Employees are permitted to carry forward five days of unused sick leave to the next year up to a maximum of 90 days. Employees are not paid for unused sick leave upon termination of employment.

All full-time employees of the Thirtieth Judicial District Criminal Court earn two weeks of vacation leave each year. Vacation leave must be taken in the year earned. Employees are entitled to pay during reasonable periods of illness.

Based on the aforementioned policies, there are no accumulated or vested benefits relating to compensated absences, at December 31, 2012, that require accrual or disclosure to conform with generally accepted accounting principles.

L. RESTRICTED NET POSITION

For government-wide statement of net position, net position is reported as restricted when constraints placed on net asset use are either, externally imposed by creditors (such as debt covenants, construction contracts, etc.), grantors, contributors, or laws or regulations of other governments and/or imposed by law through constitutional provisions or enabling legislation.

M. FUND EQUITY

The police jury implemented the requirements of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of constraints placed on government's fund balance more transparent. The following classifications describe the relative strength of spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form, i.e., inventory, prepaid expenses, etc.

Restricted Fund Balance - amounts constrained to specific purposes by their providers, i.e., grantors, bondholders, and higher levels of government through constitutional provision or enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes, by the library, using the highest level of decision-making authority. These fund balances can not be used for any other purpose unless the police jury takes the same highest level action to remove or modify the constraint.

Assigned Fund Balance - amounts the police jury intends to use for a specific purpose. Intent is expressed by the police jury.

Unassigned Fund Balance - amounts that are available for unrestricted expenditure. Positive amounts are reported only in the General Fund.

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The police jury, establishes fund balance commitments and assignments by passage of an ordinance or resolution, typically uses restricted fund balances first, followed by committed, assigned, and unassigned fund balances when an expenditure is incurred for purposes for which amounts in any of these classifications could be used

N EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the police jury, which are either unusual in nature or infrequent in occurrence

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers

P. SALES TAXES

The Vernon Parish School Board is authorized to collect, within Vernon Parish, the following sales and use taxes for the benefit of the Vernon Parish Police Jury

On April 23, 2007, the voters of the parish approved the renewal and rededication of a one (1%) per cent sales and use tax. The tax is for ten-year period, from April 1, 2007, and may be used to fund and retire bonds as provided by Louisiana Revised Statute 39:698. The proceeds of the one (1%) per cent tax, after paying cost to collect and administer the tax, are dedicated and used to pay the costs of

- a Collecting and disposing of solid waste for the entire parish, including operating and maintaining a parish recycling center/waste tipping center,
- b Retaining a dedicated reserve for solid waste purposes of a least six (6) months budgeted costs,
- c The balance may be used for constructing, improving, maintaining, and/or operating public buildings, hard surface roads and bridges in the parish and acquiring equipment therefor

On November 12, 2007, the voters of the parish approved the renewal of a one-half (1/2%) per cent sales and use tax. The tax is for ten-year period, from April 1, 2007, and may be used to fund and retire bonds as provided by Louisiana Revised Statute 39:698. The proceeds of the one-half per cent tax, after paying costs to collect and administer the tax are to be used as follows

- a Fifty per cent of the proceeds of the tax (one-quarter of one per cent) is used to construct, improve, and maintain public roads, highways, and bridges in the parish
- b Fifty per cent of the proceeds of the tax (one-quarter of one per cent) is used to construct, acquire, improve, maintain, and operate parishwide fire protection facilities

VERNON PARISH POLICE JURY
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(Continued)

Q. HOTEL/MOTEL TAX

As provided by Louisiana Revised Statute 33 4574, the police jury has levied a three per cent tax on the occupancy of all hotel/motel rooms and overnight camping facilities in the parish. Proceeds of the tax, less collection costs, are distributed to the Vernon Parish Tourist and Recreation Commission for the promotion of tourism in Vernon Parish.

R. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At December 31, 2012, the police jury has cash and cash equivalents (book balance) as follows:

Governmental Funds

Petty cash	\$575
Interest-bearing demand deposits	21,354,801
Time and certificates of deposit	1,978,358
Total	23,333,734

Agency Funds

Interest-bearing demand deposits	270,468
Total Cash and equivalents	\$23,604,202

The collected bank balances (cash and cash equivalents), at December 31, 2012, are secured as follows:

Description	Category			Bank	Book
	1	2	3	Balance	Balance
Demand deposits	\$500,000	NONE	\$21,970,373	\$22,470,373	\$21,354,801
Time & certificates of deposit	850,029	\$877,813	1,478,358	3,206,200	1,978,358
Totals	\$1,350,029	\$877,813	\$23,448,731	\$25,676,573	\$23,333,159

Category 1 includes cash and cash equivalents that are insured or registered or for which the securities are held by the police jury or its agent in the police jury's name. Category 2 includes uninsured and unregistered cash and cash equivalents for which securities are held by the bank's trust department, broker-dealers, or agent in the police jury's name. Category 3 includes uninsured and unregistered cash and cash equivalents for which the securities are held by the bank's trust department, broker-dealer, or by its agent but not in the police jury's name.

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Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

3. INVESTMENTS

At December 31, 2012, the police jury holds the following investments:

Description	Category			Fair
	A	B	C	Value
Certificates of deposit	NONE	\$1,243,260	NONE	\$1,243,260

Category A includes investments that are insured or registered or for which the securities are held by the police jury or its agent in the police jury's name. Category B includes uninsured and unregistered investments for which securities are held by the broker's or dealer's trust department or agent in the police jury's name. Category C includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the police jury's name.

4. RECEIVABLES

Class of Receivable	Major Governmental Funds	Nonmajor Governmental Funds	Total
Taxes			
Ad valorem	\$3,478,081	\$1,363,639	\$4,841,720
Other taxes, licenses, etc	45,023		45,023
Intergovernmental revenues			
Federal	276,991	22,682	299,673
State	410,204	216,914	627,118
Other		11,202	11,202
Total	\$4,210,299	\$1,614,437	\$5,824,736

5. CAPITAL ASSETS

Governmental capital assets and depreciation activity as of and for the year ended December 31, 2012, is as follows:

	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure	Library Book Collections	Total
Beginning Balance	\$1,675,227	\$11,925,385	\$19,259,102	\$45,196,982	\$1,526,122	\$79,582,818
Additions		144,211	1,356,450	2,390,697	187,958	4,079,316
Deductions			(575,676)			(575,676)
Ending Balance	1,675,227	12,069,596	20,039,876	47,587,679	1,714,080	83,086,458
Less - accumulated depreciation		(5,561,813)	(11,631,429)	(20,025,533)	(1,204,352)	(38,423,127)
Capital assets net	\$1,675,227	\$6,507,783	\$8,408,447	\$27,562,146	\$509,728	\$44,663,331

VERNON PARISH POLICE JURY
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Notes to the Basic Financial Statements
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Accumulated Depreciation					

Beginning balance	\$5,286,669	\$11,075,297	\$17,659,896	\$1,031,891	\$35,053,753
Disposition of assets		(398,917)			(398,917)
	-----	-----	-----	-----	-----
Current year depreciation	5,286,669	10,676,380	17,659,896	1,031,891	34,654,836
	275,144	955,049	2,365,637	172,461	3,768,291
	-----	-----	-----	-----	-----
Ending Balance	\$5,561,813	\$11,631,429	\$20,025,533	\$1,204,352	\$38,423,127
	=====	=====	=====	=====	=====
Depreciation Allocation					

Public safety					\$575,209
Public works					2,346,560
General government - other					275,144
Culture and recreation					172,461

Total					\$3,369,374
					=====

6 PENSION PLAN

Parochial Employees Retirement System of Louisiana -- substantially all employees of the police jury are members of the Parochial Employees Retirement System of Louisiana ("system"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the police jury are members of Plan B. All permanent employees working at least 28 hours per week who are paid wholly or in part from funds and all elected parish officials are eligible to participate in the system. Under Plan B, employees who retire at or after age 62 with at least 10 years of credited service or at or after age 55 with 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 2 per cent of their final-average compensation in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 per cent for each year retirement precedes age 62.

In any case, benefits paid under Plan B cannot exceed the lesser of 100 per cent of the final-average salary multiplied by total years of creditable service. Final-average salary is the employee's average salary over 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post office Box 14619, Baton Rouge, LA 70898-4619, or by calling (504) 928-1361.

Under Plan B, members are required by state statute to contribute 3 percent of their annual covered salary in excess of \$1,200 and the employer is required to contribute at an actuarially determined rate. The current rate is 10.00 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the employers are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The required employer contributions to the System under Plan B for the years ending December 31, 2012, \$360,547, December 31, 2011, \$336,921, and December 31, 2010, \$320,432, have been made by the police jury.

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Notes to the Basic Financial Statements
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7. OTHER POST-EMPLOYMENT BENEFITS

The Vernon Parish Police Jury provides certain continuing post-employment health care benefits for its employees and their spouses. Substantially all of the Vernon Parish Police Jury's employees become eligible for these benefits if they reach normal retirement age while working for the Vernon Parish Police Jury. These benefits for retirees and similar benefits for active employees are provided through, whose monthly premiums are paid jointly by the employee and the Vernon Parish Police Jury. There were 15 retirees (including spouses) and 64 active employees participating in the insurance program during this year.

Plan Description

The Vernon Parish Police Jury's medical benefits are provided through a commercial insurance company. The plan is a single-employer plan for financial reporting purposes and for this valuation.

All employees are eligible to elect medical coverage upon retiring with at least 20 years of service.

Medical coverage is provided to spouses of retirees who are currently receiving benefits. If the retiree predeceases the spouse, coverage for surviving spouse continues at no cost to the parish.

Contribution Rates

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. At December 31, 2012, retirees age 64 and younger pay a monthly rate of \$137 for retiree and \$318 for retiree and spouse, and retirees 65 and older pay \$68.50 for retiree and \$159 for retiree and spouse. Retirees with at least 30 years of service are not responsible for any contributions.

Funding Policy

Until 2010, The Vernon Parish Police Jury recognized the cost of providing post-employment medical benefits (Vernon Parish Police Jury's portion of the retiree medical premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. In 2007, Vernon Parish Police Jury's portion of medical care funding cost for retired employees totaled \$68,553.

Effective with the Fiscal Year beginning January 1, 2010, Vernon Parish Police Jury prospectively implemented Government Accounting Standards Board Statement Number 45 (GASB 45), Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions.

Annual Required Contribution

Vernon Parish Police Jury's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC), with a valuation date as of July 6, 2007, is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC, assuming a 4.00% discount rate (without prefunding), compounded annually for the year beginning January 1, 2010, for medical benefits as set forth below.

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Notes to the Basic Financial Statements
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	Medical
Normal cost	\$1,092,292
30-year UAL amortization amount	1,156,229
Assumed interest to end of year	207,460
ARC adjustment	(317,613)
Annual required contribution (ARC)	<u>\$2,138,368</u>

Net Post-employment Benefit Obligation (Asset)

The table below shows Vernon Parish Police Jury's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending December 31, 2012

	Medical
Beginning Net OPEB Obligation	\$7,118,434
Annual required contribution (ARC)	2,138,368
OPEB Cost	<u>9,256,802</u>
Assumed contributions made	<u>(206,434)</u>
Ending Net OPEB Obligation	<u>\$ 9,050,368</u>

The following table shows Vernon Parish Police Jury's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability, assuming a 4.00% discount rate (without prefunding), compounded annually

Post-Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
Medical	12/31/2012	\$2,138,368	10%	\$9,050,368
Medical	12/31/2011	\$2,138,368	10%	\$7,118,434
Medical	12/31/2010	\$1,982,642	15%	\$5,186,500
Medical	12/31/2009	\$1,916,008	7%	\$3,508,185
Medical	12/31/2008	\$1,842,315	0%	\$1,842,315

Funded Status and Funding Progress

In the fiscal year ending December 31, 2012, Vernon Parish Police Jury made no contributions to its post-employment benefits plan. The funding status is as follows:

Actuarial accrued liability (UAL) - medical	\$18,880,784
Actuarial value of plan assets	NONE
Unfunded actuarial accrued liability (UAAL)	\$18,880,784
Funded ratio (actuarial value of plan assets/AAL)	0.00%

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Actuarial accrued liability is defined as that portion, as determined by a particular actuarial cost method (Vernon Parish Police Jury uses the Unit Credit Actuarial Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in the fiscal year, the entire actuarial accrued liability was unfunded.

The schedule of funding progress presented as required supplemental information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Due to GASB No. 45 being implemented this year, there is no comparative information on this schedule.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate, (2) retirement rate, (3) health care cost trend rate, (4) mortality rate, (5) discount rate (investment return assumption), and (6) the period to which the costs apply (past, current, or future years of service by employees).

Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Vernon Parish Police Jury and its employee plan members) at the time of the valuation. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method

The ARC is determined using the Unit Credit Actuarial Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets

Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Investment Return Assumption (Discount Rate)

GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will be funded, a % annual investment return has been used in this valuation. This is a conservative estimate of the expected long-term return of a balanced and conservative investment portfolio under professional management.

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Health Care Cost Trend Rate

The expected rate of increase in medical cost are summarized as follows

Duration	Pre-65	Post-65
1	10 00%	10 00%
2	9 50	9 00
3	9 00	8 00
4	8 50	7 50
5	8 00	7 00
6	8 00	7 00
7	8 00	7 00
8	8 00	7 00
9	8 00	7 00
10+	8 00	7 00

Mortality Rate

RP-2000 combined mortality table for respective gender

Method of Determining Value of Benefits

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by Vernon Parish Police Jury for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid

8. LONG-TERM LIABILITIES

The following is a summary of the long-term liability transactions for the year ended December 31, 2012

	General Obligation Bonds and Certificates of Indebtedness	Bank Loans and Notes	Capital Leases	Other Post- Employment Benefits	Total
Long-term debt payable at January 1, 2010	\$8 957 000	\$20,000	\$995,976	\$7,118,434	\$17,091 410
Additions				2,138,368	2,138,368
Deductions	(277,000)	(6 023)	(210 121)	(206,434)	(699,578)
Long-term debt payable at December 31, 2010	\$8,680 000	\$13,977	\$785,855	\$9 050,368	\$18 530,200
Current	\$288 000	\$6,848	\$197,106	\$206,434	\$698,388
Long-term	8,392,000	7,128	588,749	8,843,934	17,831,812
Total	\$8 680 000	\$13,976	\$785,855	\$9,050 368	\$18,530,200

Bonded debt - the individual issues, which are serial bonds, payable from their respective debt service funds and certificates of indebtedness, payable from the Parishwide Overlay Fund, are as follows

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Description	Original Issue	Final Payment Date	Interest to Maturity	Principal Outstanding
General Obligation Bonds - Series 2012	\$7,500,000	2036	\$4,514,290	\$7,345,000
General Obligation Bonds - Series 2011	\$500,000	2030	181,907	465,000
Silam Building Refunding- Series 2010	1,170,000	2019	118,482	870,000
Total Bonded Debt			<u>\$4,814,679</u>	<u>\$8,680,000</u>

Bank loans - outstanding at December 31, 2012

Description	Original Issue	Final Payment Date	Interest to Maturity	Principal Outstanding
Road District No. 6 - Installment Loan	2011	2015	\$589	\$13,976
Totals			<u>\$589</u>	<u>\$13,976</u>

Principal and interest requirements of the bonded debt are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. Principal and interest requirements of the certificates of indebtedness are funded through the Parishwide Overlay Fund. Principal and interest requirements of the bank loans and capital leases are funded through the respective fund. The principal and interest on long-term liabilities are due as follows:

	General Obligation Bonds	Bank Loans	Capital Leases	Total
Year Ending December 31,				
2013	\$642,679	\$7,282	\$230,870	\$880,831
2014	646,969	7,282	216,027	870,279
2015	650,623	1	117,929	768,553
2016	647,759		82,432	730,191
2017	655,284		66,959	722,243
2018-2030	10,251,365		216,794	10,468,159
Totals	<u>\$13,494,679</u>	<u>\$14,566</u>	<u>\$931,011</u>	<u>\$14,454,198</u>
Current	\$642,679	\$7,282	\$230,870	\$880,831
Long-term	12,852,000	7,283	714,083	13,573,367
Total	<u>\$13,494,679</u>	<u>\$14,566</u>	<u>\$944,953</u>	<u>\$14,454,198</u>

Advance refunding - at December 31, 2012, a total of \$860,000 of bonds outstanding are considered defeased.

Leases - the police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. The lease obligations, consisting of equipment, are paid from various special revenue funds. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 2012:

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	Capital Leases

Year Ending December 31,	
2013	\$230,870
2014	216,027
2015	117,929
2016	82,432
2017	66,959
2018 - 2026	216,794

Totals	931,011
Less - amount representing interest	(145,156)

Present value of future lease payments	\$785,855
	=====

The police jury has entered into operating leases for maintenance yards. These maintenance yards are used to store equipment and fuel for maintaining the parish's road system. The leases may be terminated by either the lessor or the lessee by giving 30 days written notice.

9 CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish's General Fund. Since the General Fund subsidizes the operations of the Criminal Court Fund on an annual basis, the police jury does not transfer any remaining fund balance at the end of the year, but offsets this amount against any future appropriations that may be required.

10. LITIGATION

At December 31, 2012, the police jury is involved several lawsuits. In the opinion of the district attorney, legal counsel for the police jury, the ultimate resolution of those lawsuits that have progressed to a point where a determination can be made will not represent a significant liability to the police jury, and the remaining lawsuits have not progressed to a point where a determination can be made of any possible loss. No provision for any liability that may result has been made in the accompanying financial statements.

11. FEDERAL PROGRAMS

The Vernon Parish Police Jury participates in various programs funded through the Louisiana Department of Labor and the Louisiana Department of Education by the United States Department of Labor. The police jury is a member of the Fifth District Service Delivery Area (SDA), which consists of Allen, Beauregard, and Vernon Parishes. Members of the SDA entered into a multi-jurisdictional consortium agreement for the purpose of carrying out programs and activities. This agreement names the president of the Vernon Parish Police Jury as the authorized representative of the units of government signatory to the agreement. In addition, the agreement states that the entity designated as the grant recipient will receive the funds for the consortium area and be held ultimately liable for the funds.

A Workforce Investment Board (WIB) - consists of 15 members representing a cross section of the SDA population. The WIB is responsible for providing program development guidance and for monitoring operations of the administrative entity.

B Designated chief elected official - this is a police jury president, elected by his peers from the Fifth District Service Delivery Area. His responsibilities are the same as the WIB.

VERNON PARISH POLICE JURY
Primary Government
Leesville, Louisiana
Notes to the Basic Financial Statements
(Continued)

C Administrative entity - the organization selected by the WIB and the consortium to administer the program. All actions by the administrative entity must be approved by the WIB and the designated chief elected official.

The Vernon Parish Police Jury is the designated grant recipient and the administrative entity. As a grant recipient, the Vernon Parish Police Jury has (1) accepted full responsibility for funds expended in the grant, (2) assured the Louisiana Department of Labor that all funds provided will be expended in accordance with the requirements of all applicable federal and state regulations, policies and procedures, and the approved plan, and (3) accepted ultimate responsibility for the grant funds.

12. GENERAL LIABILITY INSURANCE

The Vernon Parish Police Jury has determined that the cost of general liability insurance coverage is prohibitive. Consequently, the police jury has not obtained general liability insurance coverage against possible losses resulting from claims filed by individuals who might suffer injury while on police jury property.

13. LANDFILL

The Vernon Parish Police Jury operates a Type III (Construction and Demolition Debris and Woodwaste) landfill. The facility, consisting of approximately 10 acres, was originally opened in 1986 and has a remaining estimated useful life of approximately 20 years. State and federal laws and regulations require that the police jury place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for three years after closure.

Annual closure costs to fill and cover each cell is minimal because the volume of material removed to open each cell normally exceeds the volume of material required to cover the cell on closure. Additionally, the cost of the final pre-closure cover and the postclosure monitoring costs for three years after closure are estimated at \$30,000. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

As of December 31, 2012, the police jury, due to the immaterial amount of the estimated closure and postclosure care costs, has not recorded any liability relating to these cost estimates.

REQUIRED SUPPLEMENTAL INFORMATION
PART II

VERNON PARISH POLICE JURY
Leesville, Louisiana
Primary Government
Supplemental Information
Budgetary Highlights
For the Year Ended December 31, 2012

The major funds of the Vernon Parish police Jury includes the governmental funds presented on Statements C and E of the police jury's basic financial statements. Budgetary comparisons for these major funds is presented, as required supplemental information, on Schedules 1 through 8 of the police jury's basic financial statements. The following presents significant highlights of selected funds:

General Fund - actual revenues were less than budgeted revenues by approximately \$15,966 or 56 per cent. Actual expenditures were less than budgeted expenditures by approximately \$25,626 or 91 per cent.

Parishwide Road Maintenance Fund - actual revenues were less than budgeted revenues by \$10,939 or 35 per cent. Actual expenditures were less than budgeted expenditures by \$6,847 or 22 per cent.

Sanitary Landfill Fund - actual revenues were less than budgeted revenues by approximately \$55,821 or 94 per cent. Actual expenditures were less than budgeted expenditures by approximately \$27,128 or 48 per cent.

Health Unit Maintenance Fund - actual revenues were less than budgeted revenues by approximately \$1,573 or 37 per cent. Actual expenditures were more than budgeted expenditures by approximately \$10,221 or 208 per cent.

Courthouse and Jail Maintenance Fund - actual revenues were less than budgeted revenues by approximately \$2,159 or 19 per cent. Actual expenditures were more than budgeted expenditures by approximately \$5,202 or 43 per cent.

Parishwide Overlay Fund - actual revenues were less than budgeted revenues by approximately \$25,897 or 175 per cent. Actual expenditures were less than budgeted expenditures by approximately \$236,330 or 1844 per cent.

Criminal Court Fund - actual revenues were more than budgeted revenues by approximately \$1,016 or 16 per cent. Actual expenditures were less than budgeted expenditures by approximately \$821 or 13 per cent.

Library Maintenance Fund - actual revenues were less than budgeted revenues by approximately \$3,248 or 29 per cent. Actual expenditures were less than budgeted expenditures by approximately \$18,699 or 196 per cent.

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Budgetary Comparison Schedule - Non-GAAP Basis
For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Resources (inflows)				
Taxes, licenses, and permits	\$1,847,000	\$2,235,036	\$2,230,684	(\$4,352)
Intergovernmental grants	350,050	90,843	90,663	(180)
Fines, fees, forfeitures, and permits	197,500	189,000	178,544	(10,456)
Other revenues	41,000	46,223	45,903	(320)
Other financing sources	285,000	309,000	308,342	(658)
Total resources	2,720,550	2,870,102	2,854,136	(15,966)
Charges to appropriations (outflows)				
Current				
General government				
Legislative	549,899	521,763	521,655	108
Judicial	466,188	432,505	434,189	(1,684)
Elections	25,893	32,435	32,830	(395)
Finance and administration	640,849	830,867	854,587	(23,720)
Other	3,262,375	278,062	278,062	(0)
Public safety	6,500	30,855	30,974	(119)
Public works	605,809	624,005	623,821	184
Health and welfare	33,670	33,495	33,495	
Culture and recreation	250,000	2,500	2,500	
Total charges to appropriations	5,841,184	2,786,487	2,812,113	(25,626)
EXCESS (Deficiency) OF APPROPRIATIONS OVER CHARGES	(3,120,634)	83,615	42,023	(41,592)
BUDGETARY FUND BALANCES - BEGINNING	7,789,036	7,789,036	7,789,036	NONE
BUDGETARY FUND BALANCES - ENDING	\$4,668,403	\$7,872,651	\$7,831,060	(\$41,592)
RECONCILIATION OF BUDGET BASIS				
Excess (Deficiency) of appropriations over charges per Schedule 1			\$42,023	
Net receivables/payables			241,693	
Excess (Deficiency) of revenues and other sources over expenditures and other uses per Statement E			\$283,716	

See independent auditor's report

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 GOVERNMENTAL FUND - PARISHWIDE ROAD MAINTENANCE FUND

Budgetary Comparison Schedule - Non-GAAP Basis
 For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Resources (inflows)				
Taxes, licenses, and permits	\$452,000	\$534,000	\$531,973	(\$2,027)
Intergovernmental grants	207,000	191,488	191,364	(124)
Fines, fees, and permits	2,000	500	3,000	2,500
Other revenues	121,500	334,621	337,290	2,669
Operating transfers in	1,917,599	2,109,432	2,095,476	(13,957)
Total resources	2,700,099	3,170,041	3,159,102	(10,939)
Charges to appropriations (outflows)				
Current				
Public works	2,741,791	3,106,328	3,099,481	6,847
Total charges to appropriations	2,741,791	3,106,328	3,099,481	6,847
EXCESS (Deficiency) OF APPROPRIATIONS OVER CHARGES	(41,692)	63,713	59,621	(4,092)
BUDGETARY FUND BALANCES - BEGINNING	467,406	467,406	467,406	NONE
BUDGETARY FUND BALANCES - ENDING	\$425,714	\$531,119	\$527,027	(\$4,092)
RECONCILIATION OF BUDGET BASIS				
Excess (Deficiency) of appropriations over charges per Schedule 2			\$59,621	
Net receivables/payables			(17,313)	
Excess (Deficiency) of revenues and other sources over expenditures and other uses per Statement E			\$42,308	

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - SANITARY LANDFILL FUND

Budgetary Comparison Schedule - Non-GAAP Basis
For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Resources (inflows)				
Sales and use taxes	\$5,230,380	\$5,997,713	\$5,941,886	(\$55,827)
Use of money and property		4,043	4,050	7
Total resources	5,230,380	6,001,756	5,945,936	(55,821)
Charges to appropriations (outflows)				
Current				
Public works and transfers	5,117,118	5,722,011	5,694,883	27,128
Total charges to appropriations	5,117,118	5,722,011	5,694,883	27,128
EXCESS (Deficiency) OF APPROPRIATIONS OVER CHARGES	113,262	279,745	251,053	(28,692)
BUDGETARY FUND BALANCES - BEGINNING	1,655,273	1,655,273	1,655,273	NONE
BUDGETARY FUND BALANCES - ENDING	\$1,768,535	\$1,935,018	\$1,906,326	(\$28,692)
RECONCILIATION OF BUDGET BASIS				
Excess (Deficiency) of appropriations over charges per Schedule 3			\$251,053	
Net receivables/payables			7,798	
Excess (Deficiency) of revenues and other sources over expenditures and other uses per Statement E			\$258,851	

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - HEALTH UNIT MAINTENANCE FUND

Budgetary Comparison Schedule - Non-GAAP Basis
For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Resources (inflows)				
Taxes, licenses, and permits	\$371,688	\$395,000	\$393,485	(\$1,515)
Intergovernmental grants	31,827	32,855	32,715	(140)
Use of money and property	8,556	3,501	3,583	82
Total resources	412,071	431,356	429,783	(1,573)
Charges to appropriations (outflows)				
Current				
Health and welfare and transfers	483,021	480,060	490,280	(10,221)
Total charges to appropriations	483,021	480,060	490,280	(10,221)
EXCESS (Deficiency) OF APPROPRIATIONS OVER CHARGES	(70,950)	(48,704)	(60,498)	(11,794)
BUDGETARY FUND BALANCES - BEGINNING	1,470,817	1,470,817	1,470,817	NONE
BUDGETARY FUND BALANCES - ENDING	\$1,399,867	\$1,422,113	\$1,410,319	(\$11,794)
RECONCILIATION OF BUDGET BASIS				
Excess (Deficiency) of appropriations over charges per Schedule 4			(\$60,498)	
Net receivables/payables			42,118	
Excess (Deficiency) of revenues and other sources over expenditures and other uses per Statement E			(\$18,379)	

See independent auditor's report

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 GOVERNMENTAL FUND - COURTHOUSE AND JAIL MAINTENANCE FUND

Budgetary Comparison Schedule - Non-GAAP Basis
 For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Resources (inflows)				
Taxes, licenses, and permits	\$1,009,577	\$1,036,100	\$1,034,431	(\$1,669)
Intergovernmental grants	80,500	83,150	82,799	(351)
Use of money and property	7,850	4,762	4,623	(139)
Amounts available for appropriations	1,097,927	1,124,012	1,121,853	(2,159)
Charges to appropriations (outflows)				
Current				
General governemnt - other	1,631,921	1,196,568	1,201,770	(5,202)
Total charges to appropriations	1,631,921	1,196,568	1,201,770	(5,202)
EXCESS (Deficiency) OF APPROPRIATIONS OVER CHARGES	(533,994)	(72,556)	(79,917)	(7,361)
BUDGETARY FUND BALANCES - BEGINNING	1,368,517	1,368,517	1,368,517	NONE
BUDGETARY FUND BALANCES - ENDING	\$834,523	\$1,295,961	\$1,288,601	(\$7,361)
RECONCILIATION OF BUDGET BASIS				
Excess (Deficiency) of appropriations over charges per Schedule 5			(\$79,917)	
Net receivables/payables			(84,829)	
Excess (Deficiency) of revenues and other sources over expenditures and other uses per Statement E			(\$164,746)	

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - PARISHWIDE OVERLAY FUND

Budgetary Comparison Schedule - Non-GAAP Basis
For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Resources (inflows)				
Use of money and property		3,287	3,220	(67)
Operating transfers in	1,131,396	1,500,000	1,474,170	(25,830)
Total resources	1,131,396	1,503,287	1,477,390	(25,897)
Charges to appropriations (outflows)				
Current				
Public works	1,078,396	1,517,930	1,281,599	236,330
Total charges to appropriations	1,078,396	1,517,930	1,281,599	236,330
EXCESS (Deficiency) OF APPROPRIATIONS OVER CHARGES	53,000	(14,643)	195,790	210,433
BUDGETARY FUND BALANCES - BEGINNING	1,008,559	1,008,559	1,008,559	NONE
BUDGETARY FUND BALANCES - ENDING	\$1,061,559	\$993,916	\$1,204,349	\$210,433
RECONCILIATION OF BUDGET BASIS				
Excess (Deficiency) of appropriations over charges per Schedule 6			\$195,790	
Net receivables/payables			6,128	
Excess (Deficiency) of revenues and other sources over expenditures and other uses per Statement E			\$201,918	

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VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - CRIMINAL COURT FUND

Budgetary Comparison Schedule - Non-GAAP Basis
For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Resources (inflows)				
Fines, fees, forfeitures, and permits	\$579,720	\$449,000	\$425,016	(\$23,984)
Other financing sources	82,500	180,000	205,000	25,000
Amounts available for appropriations	662,220	629,000	630,016	1,016
Charges to appropriations (outflows)				
Current				
General government - judicial	610,636	627,778	626,957	821
Total charges to appropriations	610,636	627,778	626,957	821
EXCESS (Deficiency) OF APPROPRIATIONS OVER CHARGES	51,584	1,222	3,059	1,837
BUDGETARY FUND BALANCES - BEGINNING	3,131	3,131	3,131	NONE
BUDGETARY FUND BALANCES - ENDING	\$54,715	\$4,353	\$6,190	\$1,837
RECONCILIATION OF BUDGET BASIS				
Excess (Deficiency) of appropriations over charges per Schedule 7			\$3,059	
Net receivables/payables			(34,442)	
Excess (Deficiency) of revenues and other sources over expenditures and other uses per Statement E			(\$31,383)	

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - LIBRARY MAINTENANCE FUND

Budgetary Comparison Schedule - Non-GAAP Basis
For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Resources (inflows)				
Taxes, licenses, and permits	\$907,417	\$936,000	\$934,842	(\$1,158)
Intergovernmental grants	89,802	97,459	97,119	(341)
Fees and charges	31,366	28,246	27,369	(877)
Use of money and property	57,923	48,033	47,161	(872)
Total resources	1,086,508	1,109,739	1,106,491	(3,248)
Charges to appropriations (outflows)				
Current				
Culture and recreation	964,172	970,733	952,035	18,699
Total charges to appropriations	964,172	970,733	952,035	18,699
EXCESS (Deficiency) OF APPROPRIATIONS OVER CHARGES	122,336	139,005	154,456	15,451
BUDGETARY FUND BALANCES - BEGINNING	1,081,703	1,081,703	1,081,703	NONE
BUDGETARY FUND BALANCES - ENDING	\$1,204,039	\$1,220,708	\$1,236,159	\$15,451
RECONCILIATION OF BUDGET BASIS				
Excess (Deficiency) of appropriations over charges per Schedule 8			\$154,456	
Net receivables/payables			34,926	
Excess (Deficiency) of revenues and other sources over expenditures and other uses per Statement E			\$189,382	

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana

Schedule OPEB Funding Progress
For the Year Ended December 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liability UAAL	Unfunded Actuarial Accrued Liability UAAL	Funded Ratio
January, 1 2012	NONE	4.00%	\$18,880,784	\$18,880,784	0.00%

See independent auditor's report

VERNON PARISH POLICE JURY
LEESVILLE, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

NONMAJOR GOVERNMENTAL FUNDS

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet, December 31, 2012
(With Comparative Totals, December 31, 2011)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUND - LCDBG GRANT FUND	2012	2011
ASSETS					
Cash and cash equivalents	\$5,544,319	\$832,112		\$6,376,431	\$5,424,659
Investments, at fair value					
Receivables	1,364,827	244,365		1,609,192	1,441,544
Interfund receivables	6,743			6,746	
TOTAL ASSETS	\$6,915,889	\$1,186,755	NONE	\$8,102,644	\$6,866,202
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$102,648			\$102,648	\$92,117
Interfund payables	6,743			6,743	
Deferred revenues	2,225			2,225	52,904
Total liabilities	111,615	NONE	NONE	111,615	145,022
Fund balance					
Restricted for					
Legislative	423,104			423,104	361,085
Judicial					
Elections	12,453			12,453	88,598
Finance and administrative	3,314,686			3,314,686	2,889,467
Other	1,926,031			1,926,031	1,487,987
Public safety	183,618			183,618	160,866
Public works	713,253			713,253	232,356
Health and welfare	231,129			231,129	346,224
Culture and recreation		\$1,186,755		1,186,755	1,154,597
Debt service					
Total fund balance	6,804,274	1,186,755	NONE	7,991,029	6,721,180
TOTAL LIABILITIES AND FUND BALANCE	\$6,915,889	\$1,186,755	NONE	\$8,102,644	\$6,866,202

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUND - LCDBG WATER IMPROVEMENTS	2012	2011
REVENUES					
Taxes					
Ad valorem	\$1,179,341	\$543,788		\$1,723,128	\$1,391,146
Sales and use	1,898,026			1,898,026	1,634,716
Intergovernmental revenues					
Federal grants	732,991		\$33,263	766,254	791,365
State funds	1,850,387			1,850,387	919,335
Fees, charges, and commissions for services	349,088			349,088	313,825
Fines and forfeitures					6,925
Use of money and property	12,872	2,465		15,338	22,740
Miscellaneous		19,131		19,131	1,974
Total revenues	6,022,705	565,384	33,263	6,621,352	5,082,026
EXPENDITURES					
Current					
General government					
Legislative	75			75	384
Judicial	399,206			399,206	373,518
Elections	29,025			29,025	77,394
Finance and administrative	140,256	650		140,906	81,830
Other	58,538			58,538	
Public safety	1,224,597			1,224,597	1,842,698
Public works	2,131,423			2,131,423	1,869,090
Health and welfare	705,611			705,611	981,753
Culture and recreation	1,139,756			1,139,756	512,010
Economic development and assistance	29,699		33,263	62,962	148,970
Intergovernmental					
Capital outlay					
Debt service	143,742	642,853		786,595	418,923
Total expenditures	6,001,927	643,503	33,263	6,678,693	6,306,570

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUND - LCDBG WATER IMPROVEMENTS	2012	2011
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$20,779	(\$78,120)	NONE	(\$57,341)	(\$1,224,544)
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	5,595			5,595	27,695
Sale of capital assets	31,360			31,360	15,993
Operating transfers in	1,204,700	110,278		1,314,978	876,335
Operating transfers out	(24,743)			(24,743)	(10,000)
Increase in long-term debt					37,457
Total other financing sources (uses)	1,216,911	110,278	NONE	1,327,189	947,479
NET CHANGE IN FUND BALANCE	1,237,690	32,158	NONE	1,269,848	(277,065)
FUND BALANCE AT BEGINNING OF YEAR	5,566,584	1,154,597	NONE	6,721,180	6,998,245
FUND BALANCE AT END OF YEAR	\$6,804,273	\$1,186,755	NONE	\$7,991,029	\$6,721,180

See independent auditor's report

VERNON PARISH POLICE JURY, PRIMARY GOVERNMENT
LEESVILLE, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 2012
(With Comparative Totals, December 31, 2011)

	ROAD DISTRICT MAINTENANCE	ROAD DISTRICT CONSTRUCTION	PARISH TRANSPORTATION ACT	PUBLIC BUILDINGS MAINTENANCE FUND	PUBLIC IMPROVEMENT CONSTRUCTION	JUDICIAL EXPENSE	TOURIST AND RECREATION	FIRE PROTECTION DISTRICT NO 1	FIRE INSURANCE FUND
ASSETS									
Cash and cash equivalents	\$215,443	\$301,672	\$68,183	\$39,781	\$40,610	\$1,280	\$504,553	\$2,292,972	\$1,021,714
Receivables	792,000	272,108	86,024				21,585		
Interfund receivables	2,094	4,649							
TOTAL ASSETS	\$1,009,537	\$578,429	\$154,207	\$39,781	\$40,610	\$1,280	\$526,138	\$2,292,972	\$1,021,714
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts payable	\$28,716	\$10,549		\$27,328			\$19,464		
Interfund payables	2,094	4,649							
Deferred revenues									
Total liabilities	30,811	15,198	NONE	27,328	NONE	NONE	19,464	NONE	NONE
Fund balance									
Restricted for									
Legislative									
Judicial						1,280			
Other				12,453					
Public safety								\$2,292,972	\$1,021,714
Public works	978,726	563,231	154,207		\$40,610				
Health and welfare									
Culture and recreation							506,674		
Economic development									
Total fund balances	978,726	563,231	154,207	12,453	40,610	1,280	506,674	2,292,972	1,021,714
TOTAL LIABILITIES AND FUND BALANCE	\$1,009,537	\$578,429	\$154,207	\$39,781	\$40,610	\$1,280	\$526,138	\$2,292,972	\$1,021,714

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 2012
(With Comparative Totals, December 31, 2011)

	ECONOMIC DEVELOPMENT	WEST LOUISIANA FORESTRY	ARENA DISTRICT	ANIMAL SHELTER	PROBATION OFFICE	VERNON COUNCIL ON AGING	VERNON COMMUNITY ACTION COUNCIL	FEDERAL/ STATE FUNDS	2012	2011
ASSETS										
Cash and cash equivalents	\$225,660	\$89,557	\$104,937	\$35,854	\$410,622			\$191,481	\$5,544,319	\$4,514,098
Receivables	20,863	12,951			11,202	\$148,010		84	1,364,827	1,178,377
Interfund receivables									6,743	
TOTAL ASSETS	\$246,523	\$102,508	\$104,937	\$35,854	\$421,824	\$148,010	NONE	\$191,564	\$6,915,889	\$5,692,475
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable	\$15,394	\$866		\$246				\$84	\$102,648	\$72,987
Interfund payables									6,743	
Deferred revenues								2,225	2,225	52,904
Total liabilities	15,394	866	NONE	246	NONE	NONE	NONE	2,308	111,615	125,891
Fund balance										
Restricted for										
Legislative					\$421,824				423,104	361,085
Judicial									12,453	88,598
Other									3,314,686	2,889,467
Public safety									1,926,031	1,487,987
Public works								189,256	183,618	160,866
Health and welfare				35,608		\$148,010			713,253	232,356
Culture and recreation		101,642	\$104,937						231,129	346,224
Economic development	231,129									
Total fund balances	231,129	101,642	104,937	35,608	421,824	148,010	NONE	189,256	6,804,274	5,566,584
TOTAL LIABILITIES AND FUND BALANCE	\$246,523	\$102,508	\$104,937	\$35,854	\$421,824	\$148,010	NONE	\$191,564	\$6,915,889	\$5,692,475

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals For the Year Ended December 31, 2011)

	ROAD DISTRICT MAINTENANCE	ROAD DISTRICT CONSTRUCTION	PARISH TRANSPORTATION ACT	PUBLIC BUILDINGS MAINTENANCE FUND	PUBLIC IMPROVEMENT CONSTRUCTION	JUDICIAL EXPENSE	TOURIST AND RECREATION	FIRE PROTECTION DISTRICT NO 1
REVENUES								
Taxes								
Ad valorem	\$780,549	\$272,136						
Sales and use							\$412,554	\$1,485,472
Intergovernmental revenues								
Federal grants								
State funds	75,527	27,312	\$551,248				406,784	
Fees charges and commissions for services							23,541	
Fines and forfeitures								
Use of money and property	900	999	601	\$27	\$91			5,295
Gifts and grants								
Total revenues	856,977	300,448	551,849	27	91	NONE	842,879	1,490,767
EXPENDITURES								
Current								
General government								
Legislative				75				
Judicial				179,311		37,456		
Elections				29,025				
Finance and administrative				140,256				
Other				58,538				
Public safety				74,705				983,149
Public works	791,800	259,833	450,108	402,153	8,041			
Health and welfare				114,398				
Culture and recreation				48,015			414,292	
Economic development and assistance				29,699				
Debt service	21,860							121,883
Total expenditures	813,659	259,833	450,108	1,076,173	8,041	37,456	414,292	1,105,032
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	43,318	40,614	101,741	(1,076,146)	(7,950)	(37,456)	428,588	385,735

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals For the Year Ended December 31, 2011)

	ROAD DISTRICT MAINTENANCE	ROAD DISTRICT CONSTRUCTION	PARISH TRANSPORTATION ACT	PUBLIC BUILDINGS MAINTENANCE FUND	PUBLIC IMPROVEMENT CONSTRUCTION	JUDICIAL EXPENSE	TOURIST AND RECREATION	FIRE PROTECTION DISTRICT NO 1
OTHER FINANCING SOURCES (USES)								
Operating transfers in	\$2,094	\$4,649		\$1,000,000		\$37,456	\$20,500	
Operating transfers out	(2,094)	(4,649)						
Insurance recoveries	3,220							\$2,375
Sale of capital assets	19,284				\$1,200			10,876
Increase in long-term debt								
Total other financing sources (uses)	22,504	NONE	NONE	1,000,000	1,200	37,456	20,500	13,251
NET CHANGE IN FUND BALANCE	65,822	40,614	\$101,741	(76,146)	(6,750)	NONE	449,088	398,986
FUND BALANCE AT BEGINNING OF YEAR	912,904	522,617	52,466	88,598	47,361	1,280	57,586	1,893,986
FUND BALANCE AT END OF YEAR	\$978,726	\$563,231	\$154,207	\$12,453	\$40,610	\$1,280	\$506,674	\$2,292,972

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals For the Year Ended December 31 2011)

	FIRE INSURANCE FUND	ECONOMIC DEVELOPMENT	WEST LOUISIANA FORESTRY	ARENA DISTRICT	ANIMAL SHELTER	PROBATION OFFICE	VERNON COUNCIL ON AGING	VERNON COMMUNITY ACTION COUNCIL	FEDERAL/ STATE FUNDS	2012	2011
REVENUES											
Taxes											
Ad valorem							\$126,655			\$1,179,341	\$1,042,121
Sales and use										1,898,026	1,634,716
Intergovernmental revenues											
Federal grants							240,715	\$87,316	404,960	732,991	791,365
State funds	\$190,488	\$437,064	\$12,951	\$52,688			10,413		85,912	1,850,387	919,335
Fees, charges and commissions for services			154,098	1,710	\$8,618	\$157,397			3,723	349,088	313,825
Fines and forfeitures											6,925
Use of money and property	2,489	632	168	213	248	972			236	12,872	20,332
Gifts and grants											1,974
Total revenues	192,977	437,695	167,218	54,612	8,866	158,369	377,783	87,316	494,832	6,022,705	4,730,593
EXPENDITURES											
Current											
General government											
Legislative										75	384
Judicial						96,350			86,088	399,206	373,518
Elections										29,025	77,394
Finance and administrative										140,256	62,249
Other										58,538	
Public safety	166,744									1,224,597	1,842,698
Public works									219,488	2,131,423	1,869,090
Health and welfare					149,916		353,981	87,316		705,611	981,753
Culture and recreation		534,790	132,044	10,616						1,139,756	512,010
Economic development and assistance										29,699	148,970
Debt service										143,742	167,105
Total expenditures	166,744	534,790	132,044	10,616	149,916	96,350	353,981	87,316	305,576	6,001,927	6,035,172
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	26,233	(97,095)	35,173	43,996	(141,050)	62,019	23,802	NONE	189,256	20,779	(1,304,579)

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals For the Year Ended December 31, 2011)

	FIRE INSURANCE FUND	ECONOMIC DEVELOPMENT	WEST LOUISIANA FORESTRY	ARENA DISTRICT	ANIMAL SHELTER	PROBATION OFFICE	VERNON COUNCIL ON AGING	VERNON COMMUNITY ACTION COUNCIL	FEDERAL/ STATE FUNDS	2012	2011
OTHER FINANCING SOURCES (USES)											
Operating transfers in					\$140,000					\$1,204,700	\$876,335
Operating transfers out		(\$18,000)								(24,743)	(10,000)
Insurance recoveries										5,595	27,695
Sale of capital assets										31,360	15,993
Increase in long-term debt											20,000
Total other financing sources (uses)	NONE	(18,000)	NONE	NONE	140,000	NONE	NONE	NONE	NONE	1,216,911	930,022
NET CHANGE IN FUND BALANCE	26,233	(115,095)	\$35,173	\$43,996	(1,050)	\$62,019	\$23,802	NONE	\$189,256	1,237,690	(374,556)
FUND BALANCE AT BEGINNING OF YEAR	995,481	346,224	66,469	60,941	36,658	359,805	124,208	NONE	NONE	5,566,584	5,941,140
FUND BALANCE AT END OF YEAR	\$1,021,714	\$231,129	\$101,642	\$104,937	\$35,608	\$421,824	\$148,010	NONE	\$189,256	\$6,804,273	\$5,566,584

See independent auditor's report

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -
 ROAD DISTRICT MAINTENANCE FUNDS

Combining Balance Sheet, December 31, 2012
 (With Comparative Totals, December 31, 2011)

	NO 1	NO 2	NO 3	NO 4	NO 5	NO 6	NO 7	NO 8	2012	2011
<hr/>										
ASSETS										

Cash and cash equivalents	\$17,126	\$39,949	\$17,388	\$51,801	\$46,839	\$984	\$34,349	\$7,006	\$215,443	\$194,316
Receivables	113,013	130,482	106,247	73,951	154,655	51,952	123,125	38,575	792,000	746,691
Interfund receivables	2,094								2,094	
	<hr/>									
TOTAL ASSETS	\$132,234	\$170,431	\$123,634	\$125,753	\$201,494	\$52,935	\$157,474	\$45,581	\$1,009,537	\$941,007
	<hr/>									
LIABILITIES AND FUND BALANCE										

Liabilities										
Accounts payable	\$3,908	\$4,317	\$4,402	\$2,603	\$5,083	\$2,936	\$4,215	\$1,252	\$28,716	\$28,103
Interfund payables		\$2,094							2,094	
	<hr/>									
Total liabilities	3,908	6,412	4,402	2,603	5,083	2,936	4,215	1,252	30,811	28,103
	<hr/>									
Fund balance - restricted for public works	128,326	164,020	119,232	123,149	196,412	49,999	153,259	44,329	978,726	912,904
	<hr/>									
TOTAL LIABILITIES AND FUND BALANCE	\$132,234	\$170,431	\$123,634	\$125,753	\$201,494	\$52,935	\$157,474	\$45,581	\$1,009,537	\$941,007
	<hr/>									

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -
ROAD DISTRICT MAINTENANCE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	NO 1	NO 2	NO 3	NO 4	NO 5	NO 6	NO 7	NO 8	2012	2011
REVENUES										
Taxes - ad valorem	\$110,123	\$115,857	\$101,246	71,138	171,666	\$58,704	\$112,204	\$39,611	\$780,549	\$686,916
State funds	11,189	27,757	7,324	4,104	4,599	5,873	12,733	1,949	75,527	76,878
Use of money and property	108	194	76	219	136	27	118	22	900	814
Total revenues	121,420	143,808	108,646	75,461	176,402	64,604	125,055	41,582	856,977	764,607
EXPENDITURES										
Current - public works	110,456	136,183	95,025	98,197	119,582	79,689	125,654	27,014	791,800	721,241
Debt service		15,184				6,676			21,860	25,581
Total expenditures	110,456	151,367	95,025	98,197	119,582	86,365	125,654	27,014	813,659	746,821
EXCESS (Deficiency) OF REVENUES										
OVER EXPENDITURES	10,965	(7,559)	13,621	(22,736)	56,820	(21,761)	(599)	14,568	43,318	17,786
OTHER FINANCING SOURCES										
Operating transfers in	2,094								2,094	
Operating transfers out		(2,094)							(2,094)	
Insurance recoveries							3,220		3,220	23,574
Sale of capital assets	351	9,000			4,000	234	5,700		19,284	15,993
Increase in long-term debt									0	20,000
Total other financing sources	2,445	6,906	NONE	NONE	4,000	234	8,920	NONE	22,504	59,567
NET CHANGE IN FUND BALANCE	13,410	(653)	13,621	(22,736)	60,820	(21,528)	8,321	14,568	65,822	77,352
FUND BALANCE AT BEGINNING OF YEAR	114,917	164,673	105,611	145,886	135,592	71,527	144,938	29,761	912,904	835,552
FUND BALANCE AT END OF YEAR	\$128,326	\$164,020	\$119,232	\$123,149	\$196,412	\$49,999	\$153,259	\$44,329	\$978,726	\$912,904

See independent auditor's report

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -
 ROAD DISTRICT CONSTRUCTION FUNDS

Combining Balance Sheet, December 31, 2012
 (With Comparative Totals, December 31, 2011)

	NO 1	NO 2	NO 3	NO 4	NO 5	NO 6	NO 7	NO 8	2012	2011
ASSETS										
Cash and cash equivalents	\$46,627	\$34,269	\$31,402	\$102,654	\$39,320	\$1,209	\$41,338	\$4,853	\$301,672	\$280,178
Receivables	46,737	20,074	42,591	29,713	61,965	6,927	49,217	14,883	272,108	252,683
Interfund receivables		4,649							4,649	
TOTAL ASSETS	\$93,364	\$58,992	\$73,993	\$132,367	\$101,285	\$8,136	\$90,555	\$19,737	\$578,429	\$532,861
LIABILITIES AND FUND EQUITY										
Liabilities										
Accounts payable	\$1,511	\$664	\$1,567	\$1,023	\$2,037	\$229	\$1,968	\$1,551	\$10,549	\$10,244
Interfund payables	4,649								4,649	
Total liabilities	6,160	664	1,567	1,023	2,037	229	1,968	1,551	15,198	10,244
Fund balance - restricted for public works	87,204	58,327	72,426	131,344	99,248	7,908	88,587	18,186	563,231	522,617
TOTAL LIABILITIES AND FUND BALANCE	\$93,364	\$58,992	\$73,993	\$132,367	\$101,285	\$8,136	\$90,555	\$19,737	\$578,429	\$532,861

See independent auditor's report

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -
 ROAD DISTRICT CONSTRUCTION FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended December 31, 2012
 (With Comparative Totals for the Year Ended December 31, 2011)

	NO 1	NO 2	NO 3	NO 4	NO 5	NO 6	NO 7	NO 8	2012	2011
REVENUES										
Taxes - ad valorem	\$43,667	\$17,823	\$40,587	\$28,582	\$74,069	\$7,829	\$44,851	\$14,728	\$272,136	\$234,084
State funds	4,438	4,270	2,936	1,649	1,843	783	5,090	6,304	27,312	25,617
Use of money and property	146	108	118	317	107	8	179	16	999	929
Total revenues	48,250	22,201	43,641	30,548	76,019	8,620	50,120	21,048	300,448	260,630
EXPENDITURES										
Current - public works	50,639	16,135	32,483	47,627	29,646	7,881	58,867	16,555	259,833	226,421
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(2,389)	6,066	11,158	(17,080)	46,373	739	(8,748)	4,493	40,614	34,208
OTHER FINANCING SOURCES										
Operating transfers in		4,649							4,649	
Operating transfers out	(4,649)								(4,649)	
Total other financing sources	(4,649)	4,649	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
NET CHANGE IN FUND BALANCE	(7,037)	10,715	11,158	(17,080)	46,373	739	(8,748)	4,493	40,614	34,208
FUND BALANCE AT BEGINNING OF YEAR	94,242	47,612	61,268	148,424	52,875	7,168	97,335	13,693	522,617	488,408
FUND BALANCE AT END OF YEAR	\$87,204	\$58,327	\$72,426	\$131,344	\$99,248	\$7,908	\$88,587	\$18,186	\$563,231	\$522,617

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**VERNON PARISH POLICE JURY, PRIMARY GOVERNMENT
LEESVILLE, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
GOVERNMENTAL FUNDS
NONMAJOR DEBT SERVICE FUNDS
COMBINING SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS

Combining Balance Sheet, December 31, 2012
 (With Comparative Totals, December 31, 2011)

	PUBLIC BUILDINGS	ROAD IMPROVEMENT	2012	2011
ASSETS	-----	-----	-----	-----
Cash and cash equivalents	\$832,109	\$3	\$832,112	\$910,561
Receivables	244,365		244,365	263,167
	-----	-----	-----	-----
TOTAL ASSETS	\$1,186,752	\$3	\$1,186,755	\$1,173,727
	=====	=====	=====	=====
LIABILITIES AND FUND BALANCE				
Liabilities - accounts payable	NONE	NONE	NONE	19,131
	-----	-----	-----	-----
Fund balance - restricted for debt service	1,186,752	\$3	1,186,755	1,154,597
	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$1,186,752	\$3	\$1,186,755	\$1,173,727
	=====	=====	=====	=====

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	PUBLIC BUILDINGS	ROAD IMPROVEMENT	2012	2011
REVENUES				
Taxes - ad valorem	\$543,788		\$543,788	\$349,025
Use of money and property	2,465		2,465	2,408
Miscellaneous	19,131		19,131	
Total revenues	565,384	NONE	565,384	351,433
EXPENDITURES				
Current - general government - finance and administration	650		650	19,581
Debt service	642,853		642,853	251,818
Total expenditures	643,503	NONE	643,503	271,398
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(78,120)	NONE	(78,120)	80,035
OTHER FINANCING SOURCES (USES)				
Operating transfers in	110,278		110,278	
Proceeds from sale of bonds				17,457
Total other financing sources (uses)	110,278	NONE	110,278	17,457
NET CHANGE IN FUND BALANCE	32,158	NONE	32,158	97,492
FUND BALANCE AT BEGINNING OF YEAR	1,154,594	\$3	1,154,597	1,057,105
FUND BALANCE AT END OF YEAR	\$1,186,752	\$3	\$1,186,752	\$1,154,597

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2012

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation, not to exceed the maximum provided by Louisiana law.

Bailey, Charnel J	\$14,080
Blair, Jerry W	14,400
Clay, Curtis L	14,400
Cryer, Joseph E	14,400
Dowden, Howard E	14,400
Fulton, Jr , Sam B	320
Grimes, Jackie L	14,400
Haymon, Kenny R	14,400
Haymon, Melvin R	14,400
Johnson, Leonard	320
Johnson, Reginald D	14,400
Kay, Michael L	14,080
McMahon, Tommy L	14,400
Tuck, James B	14,400

Totals	\$172,800 =====

See independent auditor's report

VERNON PARISH POLICE JURY
Leesville, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Schedule of Changes in Deposit Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	Sales Tax	Hotel Motel Tax	2012	2011
Deposit Balance at Beginning of Year	\$250,487	\$326	\$250,813	\$215,678
Additions				
Sales tax collections	10,225,858	338,568	10,564,426	8,574,281
Use of money and property	657	3	659	571
Total additions	10,226,515	338,571	10,565,085	8,574,852
Total	10,477,002	338,896	10,815,898	8,790,530
Reductions				
Finance and administration	169,465	5,079	174,543	149,158
Settled to taxing bodies and others	9,146,155	333,208	9,479,363	8,390,559
Total reductions	9,315,620	338,287	9,653,906	8,539,717
Deposit Balance at End of Year	\$1,161,382	\$610	\$1,161,992	\$250,813

See independent auditor's report

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by *Government Auditing Standards*, issued by the Comptroller General of the United States

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax 318/449-9159

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

VERNON PARISH POLICE JURY
Leesville, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Police Jury, Leesville, Louisiana, as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the basic financial statements of the primary government and have issued my report thereon dated June 26, 2013

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the entity's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether entity's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

VERNON PARISH POLICE JURY
Leesville, Louisiana
GAO Report
(Continued)

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing on internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute (LSA-R S) 24 513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 26, 2013

**OTHER REPORTS REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133**

The following pages contain reports on the schedule of federal financial assistance, consideration of internal control, and compliance with laws and regulations required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the *Single Audit Act*, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

VERNON PARISH POLICE JURY
Leesville, Louisiana

COMPLIANCE

I have audited the Vernon Parish Police Jury's, primary government, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. Vernon Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on compliance for each of the entity's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the entity's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the entity's compliance.

I believe my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide legal determination of the entity's compliance.

OPINION ON EACH MAJOR FEDERAL PROGRAM

In my opinion, the entity complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the entity is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the entity's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance with each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

I have audited the financial statements of the Vernon Parish Police Jury, primary government, as of and for the year ended December 31, 2012, and have issued my report thereon dated June 26, 2013, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 26, 2013

**VERNON PARISH POLICE JURY
Leesville, Louisiana**

**Schedule of Expenditure of Federal Awards
For the Year Ended December 31, 2012**

VERNON PARISH POLICE JURY
Leesville, Louisiana

Schedule of Expenditure of Federal Awards
For the Year Ended December 31, 2012

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME PROGRAM NAME	CFDA NUMBER	PASS THROUGH NUMBER	EXPENDITURES
UNITED STATES DEPARTMENT OF AGRICULTURE			
Passed through Louisiana Department of Treasury - Schools and Roads - Grants to States	10 665	NFR47	\$164,413
Total United States Department of Agriculture			164,413
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Louisiana Division of Administration - Office of Planning and Development - Community Development Block Grants	14 228	629681	33,263
Passed through Louisiana Department of Children and Family Services Homelessness Prevention and Rapid Re-Housing	14 257-ARRA		31,300
Emergency Solutions Grant Program	14 231	ESGP	56,016
Total United States Department of Housing and Urban Development			120,579
UNITED STATES DEPARTMENT OF JUSTICE			
Direct program - Drug Court Discretionary Grant Program	16 585		86,088
Total United States Department of Justice			86,088

See Independent Auditor's Report

VERNON PARISH POLICE JURY
Leesville, Louisiana

Schedule of Expenditure of Federal Awards
For the Year Ended December 31, 2012

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME PROGRAM NAME	CFDA NUMBER	PASS THROUGH NUMBER	EXPENDITURES

UNITED STATES DEPARTMENT OF LABOR			

Passed through Louisiana Department of Labor -			
Workforce Investment Act - Adult Program	17 258	LWIA 50	\$250,065
Workforce Investment Act - Youth Activities	17 259	LWIA 50	222,507
Workforce Investment Act - Dislocated Workers	17 260-ARRA	LWIA 50	169,384

Total Workforce Investment Act			641,956

Total United States Department of Labor			641,956

UNITED STATES DEPARTMENT OF TRANSPORTATION			

Passed through Louisiana Department of			
Transportation and Development - Formula Grants			
for Other than Urbanized Areas	20 509-ARRA		240,715

Total United States Department of Transportation			240,715

UNITED STATES DEPARTMENT OF HOMELAND SECURITY			

Passed through Louisiana Office of Emergency Preparedness			
Disaster Grants-Public Assistance	97 036		148,579
Hazard Mitigation Grant Program	97 039		61,074

Total United States Department of Homeland Security			209,653

See Independent Auditor's Report

VERNON PARISH POLICE JURY
Leesville, Louisiana

Schedule of Expenditure of Federal Awards
For the Year Ended December 31, 2012

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME PROGRAM NAME	CFDA NUMBER	PASS THOUGH NUMBER	EXPENDITURES
UNITED STATES DEPARTMENT OF ENERGY			
Passed through Louisiana Department of Natural Resources - Energy Efficiency and Conservation block Grant Program (EECBG)	81 128-AARA		\$109,219
Total United States Department of Energy			109,219
UNITED STATES DEPARTMENT OF THE INTERIOR			
Direct program - Payments-in-lieu of taxes	15 226		36,648
Total United States Department of the Interior			36,648
Total Expenditures			\$1,609,272

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

VERNON PARISH POLICE JURY
 Leesville, Louisiana

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting	
Material weakness identified?	No
Reportable condition identified not considered a material weakness?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

The Schedule of Expenditure of Federal Awards has been prepared on a modified accrual basis of accounting consistent with the Governmental Fund financial statements

CFDA No 14 257 - Homelessness Prevention and Rapid-Housing has been passed through to the Vernon Community Action Agency

CFDA No 20 509 - Formula Grants for Other than Urbanized Areas has been passed through to the Vernon Council on Aging, a non-profit organization

Internal Control over major programs

Material weakness identified?	No
Reportable condition identified not considered to be a material weakness?	No
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section 510(a)?	No
Dollar threshold used to distinguish between Type A and Type B Programs	\$300,000

See Independent Auditor's Report

VERNON PARISH POLICE JURY
Leesville, Louisiana
Schedule of Findings and Questioned Costs
(Continued)

The following have been assessed as a major program

Workforce Investment Act Cluster, including

CFDA No 17 258 - Adult Program

CFDA No 17 259 - Youth Program

CFDA No 17 260 - Dislocated Worker Program

CFDA No 20 509(AARA) - Formula Grants for Other Than Urbanized Areas

Auditee qualified as low risk auditee?

Yes

Section II - Financial Statement Findings

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*

Section III - Federal Award Findings and Questioned Costs

The audit disclosed no findings or questioned costs relating to expenditure of Federal Awards

Herbie W. Way

Herbie W Way
Alexandria, Louisiana
June 26, 2013

See Independent Auditor's Report